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Trade of NATO Countries With China, 1985-88

IRR No. 216 - December 29, 1989



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Although the trade of NATO countries with China has been small, it continues to grow slowly in the case of most NATO countries, and it is important to China.

During the 1985-88 period (see Table I), the combined imports of **all NATO countries** from China, as a percentage of the NATO members' total imports, rose from 0.7 percent in 1985 and 1986 to 0.9 percent in 1987 and 1.0 percent in 1988. Exports dropped from 1.1 percent in 1985 to 0.9 percent in 1986 and 0.8 percent in 1987, but rose again to 0.9 percent in 1988.

Imports of the **European NATO countries** rose from 0.4 percent of their total imports in 1985 to 0.5, 0.6, and 0.7 percent during the next three years. Their exports to China, as a percentage of their total exports, dropped slightly from 0.8 percent in 1985 and 1986 to 0.7 percent in 1987 and 1988.

Table II shows imports and exports by **individual countries**. Between 1985 and 1988, eight of the European NATO countries imported in any year from China more than 0.4 of a percentage point of their total imports: Denmark, 0.6 percent in 1985, 0.9 percent in 1986, 1.0 percent in 1987, and 1.2 percent in 1988; France, 0.5 percent in 1985 and 1986, 0.7 percent in 1987,

¹ This report supplements INR Report 215, "Trade of NATO Countries With European CEMA Countries, 1985-88," UNCLASSIFIED, December 29, 1989.

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and 0.8 percent in 1988; the Federal Republic of Germany, 0.5, 0.6, 0.8, and 1.0 percent over the four-year period; Italy, 0.6, 0.7, 0.8, and 1.0 percent over the four years; the Netherlands, 0.5 percent in 1988; Norway, 0.8 percent in 1987 and 0.5 percent in 1988; Spain, 0.7 percent in 1986, 0.5 percent in 1987, and 0.6 percent in 1988; and Turkey, 0.6, 0.8, 1.2, and 0.8 percent over the four years.

In one or more of the four years, eight European NATO countries sent more than 0.6 percent of their total exports to China: Denmark, 0.7 percent in 1987; France, 0.8 percent in 1985; the FRG, 1.2 percent in 1985 and 1986 and 0.9 percent in 1987 and 1988; Greece, 1.0 percent in 1985; Italy, 1.0 percent in 1985 and 1986, 0.9 percent in 1987, and 1.0 percent in 1988; Spain, 2.0 percent in 1985 (the highest percentage of any European country during the four-year period), 1.2 percent in 1986, and 0.8 percent in 1987; Turkey, 1.6 percent in 1986, 1.0 percent in 1987, and 1.8 percent in 1988; and the United Kingdom, 0.7 percent in 1986.

Canada's imports during the four years rose from 0.4 percent in 1985 to 0.5 percent in 1986 and

0.7 percent in 1987 and 1988. Exports were 1.1 percent in 1985, 0.9 percent in 1986, 1.2 percent in 1987, and 1.9 percent in 1988.

US trade with China increased for imports from 1.1 percent in 1985 to 1.3, 1.6, and 1.9 percent during the following three years. Imports totaled \$8.5 billion in 1988, compared with \$6.3 billion in 1987. Exports amounted to \$5.0 billion in 1988 (1.6 percent of total US exports, up from 1.4 percent in 1986 and 1987, but down from 1.8 percent in 1985). Exports of US agricultural goods to China amounted to \$759 million.

For the period January through September 1989, compared with the same period in 1988, US exports to China, as a percentage of total US exports, increased from 1.5 percent in 1988 to 1.7 percent in 1989, or from \$3.6 billion to \$4.5 billion.

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SOURCES

1. Organization for Economic Cooperation and Development, *Statistics of Foreign Trade*, Monthly Bulletin, Series A, various dates.
2. Greece: *IMF Directions of Trade*, 1989 Yearbook.
3. US Department of Commerce, Bureau of the Census, *Highlights of US Export and Import Trade*, Report FT 990, September 1989.

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TABLE 1

TRADE OF NATO WITH CHINA, 1985-88
(in millions of dollars)

| Country/Area | 1985 | | | 1986 | | | 1987 | | | 1988 | | |
|-------------------------|---------------------------------|--------------------|--------------------------------------|---------------------------------|--------------------|--------------------------------------|---------------------------------|--------------------|--------------------------------------|---------------------------------|--------------------|--------------------------------------|
| | Total from (or to) entire world | From (or to) China | Trade with China as % of world trade | Total from (or to) entire world | From (or to) China | Trade with China as % of world trade | Total from (or to) entire world | From (or to) China | Trade with China as % of world trade | Total from (or to) entire world | From (or to) China | Trade with China as % of world trade |
| <u>Imports (c.i.f.)</u> | | | | | | | | | | | | |
| European NATO | 683,404.6 | 3,048.7 | 0.4 | 802,736.9 | 4,221.8 | 0.5 | 979,317.9 | 6,161.7 | 0.6 | 1,109,564.4 | 7,801.9 | 0.7 |
| Canada (f.o.b.) | 76,859.5 | 295.6 | 0.4 | 81,313.7 | 407.8 | 0.5 | 87,583.2 | 582.0 | 0.7 | 106,819.2 | 776.4 | 0.7 |
| US (f.o.b.) | 345,276.0 | 3,861.6 | 1.1 | 369,961.2 | 4,771.2 | 1.3 | 405,900.0 | 6,294.0 | 1.6 | 441,282.0 | 8,512.8 | 1.9 |
| Total NATO | 1,105,540.1 | 7,205.9 | 0.7 | 1,254,011.8 | 9,400.8 | 0.7 | 1,472,801.1 | 13,037.7 | 0.9 | 1,657,665.6 | 17,171.1 | 1.0 |
| <u>Exports (f.o.b.)</u> | | | | | | | | | | | | |
| European NATO | 665,575.5 | 5,591.4 | 0.8 | 806,813.7 | 6,576.0 | 0.8 | 971,213.7 | 6,545.0 | 0.7 | 1,079,377.3 | 7,068.4 | 0.7 |
| Canada | 87,355.4 | 936.1 | 1.1 | 86,663.2 | 795.6 | 0.9 | 94,394.4 | 1,086.0 | 1.2 | 111,942.0 | 2,115.6 | 1.9 |
| US | 213,146.4 | 3,855.6 | 1.8 | 217,304.4 | 3,106.8 | 1.4 | 252,866.4 | 3,496.8 | 1.4 | 320,385.6 | 5,038.8 | 1.6 |
| Total NATO | 966,077.3 | 10,383.1 | 1.1 | 1,110,781.3 | 10,478.4 | 0.9 | 1,318,474.5 | 11,127.8 | 0.8 | 1,511,704.9 | 14,222.8 | 0.9 |

TABLE II

TRADE OF NATO COUNTRIES WITH CHINA, 1985-88
(in millions of dollars, c.i.f.)

| Country/Area | Value | | | | Percent of Total Imports | | | |
|---------------------|---------|---------|----------|----------|--------------------------|------|------|------|
| | 1985 | 1986 | 1987 | 1988 | 1985 | 1986 | 1987 | 1988 |
| A. Imports | | | | | | | | |
| Belgium-Luxembourg | 128.4 | 211.0 | 206.4 | 240.0 | 0.2 | 0.3 | 0.2 | 0.3 |
| Denmark | 112.8 | 194.3 | 244.8 | 315.0 | 0.6 | 0.9 | 1.0 | 1.2 |
| France | 495.6 | 708.0 | 1,096.8 | 1,441.2 | 0.5 | 0.5 | 0.7 | 0.8 |
| FRG | 871.2 | 1,250.4 | 1,924.8 | 2,462.4 | 0.5 | 0.6 | 0.8 | 1.0 |
| Greece | 22.2 | 26.9 | 38.9 | 48.0 | 0.2 | 0.2 | 0.3 | 0.3 |
| Iceland | 1.7 | 2.1 | 2.7 | 4.0 | 0.2 | 0.2 | 0.2 | 0.2 |
| Italy | 586.8 | 681.6 | 1,021.2 | 1,438.8 | 0.6 | 0.7 | 0.8 | 1.0 |
| Netherlands | 189.5 | 267.8 | 350.4 | 466.8 | 0.3 | 0.4 | 0.4 | 0.5 |
| Norway | 33.4 | 52.9 | 171.8 | 109.1 | 0.2 | 0.3 | 0.8 | 0.5 |
| Portugal | 9.6 | 15.0 | 41.6 | 64.1 | 0.1 | 0.2 | 0.3 | 0.4 |
| Spain | 133.2 | 239.2 | 248.9 | 385.1 | 0.4 | 0.7 | 0.5 | 0.6 |
| Turkey | 64.7 | 93.8 | 172.6 | 114.8 | 0.6 | 0.8 | 1.2 | 0.8 |
| UK | 399.6 | 478.8 | 640.8 | 789.6 | 0.4 | 0.4 | 0.4 | 0.4 |
| Total European NATO | 3,048.7 | 4,221.8 | 6,161.7 | 7,881.9 | 0.4 | 0.5 | 0.6 | 0.7 |
| Canada (f.o.b.) | 295.6 | 407.8 | 582.0 | 776.4 | 0.4 | 0.5 | 0.7 | 0.7 |
| US (f.o.b.) | 3,861.6 | 4,771.2 | 6,294.0 | 8,512.8 | 1.1 | 1.3 | 1.6 | 1.9 |
| Total NATO | 7,205.9 | 9,400.8 | 13,037.7 | 17,171.1 | 0.7 | 0.7 | 0.9 | 1.0 |

TABLE II (cont'd)

TRADE OF NATO COUNTRIES WITH CHINA, 1985-88
(in millions of dollars, f.o.b.)

| Country/Area | Value | | | | Percent of Total Exports | | | |
|---------------------|----------|----------|----------|----------|--------------------------|-------|-------|-------|
| | 1985 | 1986 | 1987 | 1988 | 1985 | 1986 | 1987 | 1988 |
| B. Exports | | | | | | | | |
| Belgium-Luxembourg | 267.6 | 359.8 | 271.2 | 348.0 | 0.5 | 0.5 | 0.3 | 0.4 |
| Denmark | 100.9 | 129.7 | 184.8 | 129.5 | 0.6 | 0.6 | 0.7 | 0.5 |
| France | 777.6 | 667.2 | 849.6 | 925.2 | 0.8 | 0.6 | 0.6 | 0.6 |
| FRG | 2,230.8 | 2,863.2 | 2,796.0 | 2,786.4 | 1.2 | 1.2 | 0.9 | 0.9 |
| Greece | 46.9 | 29.0 | 21.1 | 32.0 | 1.0 | 0.5 | 0.3 | 0.4 |
| Iceland | - | insig | 0.2 | 0.2 | - | insig | insig | insig |
| Italy | 789.6 | 1,002.0 | 1,086.0 | 1,315.2 | 1.0 | 1.0 | 0.9 | 1.0 |
| Netherlands | 246.2 | 209.0 | 181.2 | 266.4 | 0.4 | 0.3 | 0.2 | 0.3 |
| Norway | 93.1 | 66.6 | 81.5 | 67.3 | 0.5 | 0.4 | 0.4 | 0.3 |
| Portugal | 13.2 | 23.2 | 21.8 | 31.8 | 0.2 | 0.3 | 0.2 | 0.3 |
| Spain | 478.4 | 319.7 | 267.5 | 218.8 | 2.0 | 1.2 | 0.8 | 0.5 |
| Turkey | 33.5 | 120.6 | 103.7 | 215.6 | 0.4 | 1.6 | 1.0 | 1.8 |
| UK | 513.6 | 786.0 | 680.4 | 732.0 | 0.5 | 0.7 | 0.5 | 0.5 |
| Total European NATO | 5,591.4 | 6,576.0 | 6,545.0 | 7,068.4 | 0.8 | 0.8 | 0.7 | 0.7 |
| Canada | 936.1 | 795.6 | 1,086.0 | 2,115.6 | 1.1 | 0.9 | 1.2 | 1.9 |
| US | 3,855.6 | 3,106.8 | 3,496.8 | 5,038.8 | 1.8 | 1.4 | 1.4 | 1.6 |
| Total NATO | 10,383.1 | 10,478.4 | 11,127.8 | 14,222.8 | 1.1 | 0.9 | 0.8 | 0.9 |